IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA EASTERN DIVISION

CSX TRANSPORTATION, INC.,)
Plaintiff,)
V.) Civil Action No.: CV-05-1120-C
R.J. CORMAN DERAILMENT SERVICES, LLC, R.J. CORMAN RAILROAD GROUP, and R.J.)))
CORMAN COMPANY,)
Defendants.))

PARTIES' MEDIATION REPORT

Come now plaintiff CSX Transportation, Inc. and defendant R.J. Corman

Derailment Services, LLC and hereby file this report regarding the parties' mediation and efforts to resolve this matter without more formal litigation and show unto the Court that since the parties requested a stay of this action, the parties have engaged in informal discovery, a site inspection, and discussions regarding the liability and damage issues in this case. The parties also mediated with retired Jefferson County Circuit Judge Art Haynes in Birmingham on October 11, 2006, and recessed to further analyze the documentary damage claims being made in this case. The parties request the Court to continue the stay (already entered) through the end of the year to continue the parties' discussions and efforts to resolve this matter without the necessity of engaging in additional litigation costs and expenses which would truly impede the ability to resolve this matter. The parties request the Court's permission to report by January 11, 2007, as

to the status of discussions and whether a new scheduling order should be entered in this case.

WHEREFORE PREMISES CONSIDERED, the parties jointly report to the Court and request that it extend the parties three additional months to continue discussions, any informal discovery, and a second mediation should that be necessary in an effort to resolve this matter with the parties reporting by January 11, 2007, as to the status of their efforts.

Dated this the 12th day of October, 2006.

/s/ Morris Wade Richardson MORRIS WADE RICHARDSON Attorney for Plaintiff, CSX Transportation, Inc.

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AND

/s/ Steven K, Herndon STEVEN K. HERNDON ANDREW W. CHRISTMAN Attorneys for Defendants

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